



**Task Force Meeting No. 34 Synopsis
February 22, 2010**

Task Force Members Present*:

Jackie Adams, Teresa Alvarado, Shiloh Ballard, Michele Beasley, Judy Chirco, Pat Dando, Harvey Darnell, Brian Darrow, Dave Fadness, Leslee Hamilton, Sam Ho, Nancy Ianni, Frank Jesse, Matt Kamkar, Charles Lauer, Karl Lee, Shirley Lewis, Sam Liccardo, Pierluigi Oliverio, David Pandori, Dick Santos, Patricia Sausedo, Erik Schoennauer, Judy Stabile, Alofa Talivaa.

Task Force Members Absent:

Gary Chronert, Pastor Oscar Dace, Enrique Fernandez, Lisa Jensen, Linda LeZotte, Neil Struthers, Michael Van Every, Jim Zito.

City Staff and Other Public Agency Staff Present*

Wayne Chen (Housing), Roma Dawson (D3 Council Office), Peter Hamilton (D9 Council Office), Ru Weerakoon (Mayor's Office), Joseph Horwedel (PBCE), Laurel Prevetti (PBCE), Susan Walton (PBCE), Andrew Crabtree (PBCE), John Baty (PBCE), Lee Butler (PBCE).

Public Present*:

Doug Svensson (Applied Development Economics), John Ristow (VTA), Pete Benson, Larry Ames (Neighborhood Commission), Peter Rothschild, Gerry Hunt (Coalition for a Downtown Hospital [CDH]), Leah Toeniskoetter, Vince Cantore (Summerhill Homes), Jack Nadeau, Keith Davis (Health Trust), Terri Balandra (Fiesta Lanes Action Group), Helen Chapman (Shasta-Hanchett Park Neighborhood Association), Aaron Resendez, Kerri Hamilton, Brian Schmidt (Committee for Green Foothills), Susan Marsland (District 1 resident & SJSU Graduate Student), David Marsland (Sierra Club Cool Cities), Marie Arnold (Neighborhood Commission & League of Women Voters-SJ/SC), Trixie Johnson (League of Women Voters-SJ/SC), Carlos Babcock (Silicon Valley Bicycle Coalition), Soma Chattenja, Adam Antolin, Jacob M. Smith (Naglee Park resident), Nicole Kohleriter (Health Trust), Rosylin Dean (CDH), Bertha M. Starks.

*As verified by registering attendance on Sign-In Sheets.

1. Welcome

The meeting convened at 6:31 p.m.

2. Review and approval of February 8, 2010 synopsis

The synopsis was approved.

3. Envision Land Use Study Scenarios

Laurel Prevetti provided an overview of the packet materials, the key accomplishments of the Envision Task Force, the decisions made by City Council thus far, and identified the decisions the Task Force will be making in the coming meetings. Laurel, together with Andrew Crabtree, outlined many of the similarities and differences amongst the various Land Use Study Scenarios and the existing San Jose 2020 General Plan.

In the overview presentation, staff stated that the water companies have indicated they will have sufficient water availability in each Study Scenario. In response, one Task Force member commented that the water retailers conducting water supply analyses are in the business of selling water, and their analyses could be biased. Another member asked if the Task Force must choose one of the current Study Scenarios. Staff replied that job and housing numbers could be modified, but that the Task Force should not deviate so significantly that the analysis would have to start from scratch. Another Task Force member supported this idea, stating that the Task Force should consider an option with more realistic targets, especially an option with a lower housing capacity that is closer to the growth numbers staff expects to see. Other Task Force members stated that this process is more of a visioning exercise, noting that land use decisions are tough to change and indicating that the Task Force should take a long-term view. Staff reminded the Task Force that the Association of Bay Area Governments has projected a high housing demand in our region. In response to Task Force comments on varying environmental impacts in the scenarios, staff noted that the number of vehicle miles traveled (VMT) does not directly predict the level of greenhouse gas emissions for a scenario because of variable congestion levels in each scenario.

Task Force members commented that past performance does not necessarily predict future trends. One Task Force member noted that San Jose's current jobs to employed resident imbalance could impact personal behavior, stating that cities with higher jobs to employed resident ratios have higher transit usage and biking and walking rates. Another Task Force member noted that public acceptance of and demand for higher density residential projects could create an environment where high housing production numbers are possible, while another member commented that housing growth could occur at the expense of additional job growth. In response, the first Task Force member stated that the Land Use Study Scenarios protect existing employment lands and only plan for additional housing where housing is currently allowed. One Task Force member asked if lands could be flexibly designated in the General Plan, for either housing or job growth. Staff cautioned against this approach, indicating that in the past, housing has trumped job growth.

Other Task Force members broadened the discussion, indicating that our updated General Plan should be broad and asking whether it should look at a 10, 20, or 30 year time-frame, since the General Plan will likely be updated in the next 10-15 years. Staff replied that planning for the 30-year horizon provides the City with a destination, and that phasing of growth during that long-term horizon is critical to successfully achieving our goals in the more immediate time frames.

4. Fiscal Report & Analysis

Doug Svensson outlined the findings from his analysis of the fiscal impacts of existing land uses and each Land Use Study Scenario. Mr. Svensson's primary conclusions included that: (1) capture of 100% of the retail demand is a large determinant of fiscal success, (2) job growth generally has a positive fiscal impact, (3) housing can have a positive fiscal impact if 100% of the retail demand it generates is captured in San Jose, (4) compact development is fiscally better than sprawl, (5) alternative financing mechanisms for operations and maintenance of City infrastructure should be considered, and (6) careful implementation and phasing is critical to achieving the ultimate results.

In response to a Task Force member question, staff noted that tables in the packet provide absolute numbers and distribution of job growth across industry categories. Staff stressed that the fiscal analysis assumes 100% capture of retail demand, and indicated that the Task Force should consider

how the City should attract regional retail. Responding to a number of Task Force questions, Mr. Svensson noted that his analysis did not explicitly account for the income levels of employees in each scenario, did not capture changing demographics except in the predominance of high-density housing in the Study Scenarios, and stated that his analysis was large-scale and did not evaluate feasibility of retail on a site-by-site basis. He stated that he had assumed retail growth would occur in the locations and amounts specified in the Study Scenarios, and he based expenditures on operations and maintenance, not on capital expenses. Replying to another Task Force question, Mr. Svensson stated that the lack of contribution by affordable housing towards some City service fees was not specifically factored into his analysis; however, the price point for housing that was used to calculate property tax revenue was conservatively low, so it would inherently account for some affordable housing in the mix. Mr. Svensson also elaborated on possible alternative financing mechanisms, including assessment districts, landscape and lighting districts, and other options.

A Task Force member noted that the fiscal analysis showed a positive fiscal impact for all housing types, and staff clarified that this assumes 100% capture of retail demand from residents of that housing. A Task Force member questioned why we have not achieved 100% retail capture to date in San Jose. Staff replied that our current land use plan, with separated land uses, is not designed around targetting 100% retail capture. Doug Svensson responded to another comment by stating that he had evaluated large and small retail establishments separately.

A Task Force member noted that the fiscal report is based on current taxation assumptions, and the City should pursue taxation reforms at the state level. Another Task Force member responded that it is not possible to anticipate what taxation changes may occur, so the General Plan should include periodic future check-ins to evaluate whether the assumptions used in the Update process are still valid.

One Task Force member suggested that the Task Force take a qualitative rather than quantitative approach to analyzing the fiscal report, and another stated that staff should aim for a livable city where people can work and spend their money. Staff replied that Task Force members should continue to provide their objectives, and staff will work to develop the methods to achieve the objectives. Another Task Force member noted that evaluation of the per acre cost/revenue figures in the fiscal report gave strong preference to high-density development, and staff concurred.

In response to a Task Force question, staff explained that after a Preferred Land Use Study Scenario is selected, thorough environmental analysis will be completed for the Preferred Scenario. The other scenarios will be evaluated more generally as alternatives that will also be included in the Environmental Impact Report.

A Task Force member expressed disagreement with the fiscal report, questioning the finding that Scenario 5-H would have a more beneficial fiscal impact than Scenario 4-J which contains significantly more jobs. Staff noted that the scenarios assume 100% capture of retail demand, so the residential uses in the scenarios provide sales tax revenue from the retail. A number of Task Force members expressed concern about ensuring the preservation of employment lands. Staff explained that fiscal stability and land use are clearly tied to one another and clarified that the policies in the Framework for Preservation of Employment Lands are proposed to be embedded in the updated General Plan.

5. Public Comment

Seven members of the public commented on the topics discussed by the Task Force, indicating support for: legislative reforms to taxation at the state level to increase City revenues; diverse, sustainable, livable, and fiscally sound complete communities where jobs, recreation, and homes are close to one another; consistency amongst employment preservation policies, recommendations, and actions (noting a proposed conversion of an existing commercial site in south San Jose to a single-room-occupancy development could be inconsistent); additional job capacity to provide options for job growth, with actual development tied to a 1:1 jobs to employed resident ratio; high-density job and housing growth; preservation of Edenvale lands for open space, rather than jobs (since transit access to much of that area is lacking); reduction in vehicle miles travelled; and the 40% mode-share target policies discussed at the February 8th Task Force meeting.

One speaker noted that the Task Force should continue to consider how hospitals will be accommodated in the future and stated that retail maximization goals could conflict with environmental objectives. Another speaker stated that since the environmental analysis of the scenarios evaluates the full build-out of those scenarios, staff is not evaluating the full range of environmental consequences from the interim stages of the scenarios. One speaker stated that Scenario 4-J is tempting because of the high transit ridership it shows; however, the jobs to employed resident ratio is out of balance in that scenario. A final speaker requested more flexibility in the uses allowed on a specific property in North Coyote Valley, stating that multiple properties in the area could benefit from a less restrictive land use designation, such as Light Industrial or Industrial Park rather than the current Campus Industrial designation.

6. Task Force Recommendation (vote on motions as needed)

Laurel Prevetti indicated that the discussion of a Preferred Land Use Scenario would continue at the next Task Force meeting, when the Task Force would break into smaller groups for more detailed discussion. The Task Force made no formal motions.

7. Announcements

The Task Force was given three reminders, as follows: the Saturday, 2/27 community workshop on selecting a preferred scenario; Donald Shoup's lecture on "The High Cost of Free Parking" on Wednesday, 2/24; and the need for Task Force members to each sign a copy of the City's Code of Ethics.

8. Adjourn

The meeting adjourned at 8:56 p.m.